

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: May 6, 2008 **Bill Number:** S.B. 1302

Authors: Campsen; Thomas; Grooms; Cleary, *et. al.*

Committee Requesting Impact: Senate Finance Committee

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by repealing Section 48-59-75 relating to the suspension of funding provisions for the South Carolina Conservation Bank in fiscal years when appropriations to more than one-half of state agencies and departments are less than such appropriations in the prior fiscal year or in a fiscal year when across the board appropriations reductions are ordered by the State Budget and Control Board.

REVENUE IMPACT ^{1/}

This bill would decrease General Fund revenue by \$19,290,155 in FY2008-09.

Explanation

This bill would repeal Section 48-59-75 of the 1976 Code of Laws removing restrictions on the transfer of deed recording fees to the Conservation Bank Trust Fund. The deed recording fee is based upon \$1.85 of each \$500, or fractional part of \$500, of the realty's value. The state's portion of the fee is equal to \$1.30 of each \$500 of the realty's value and the county's portion of the fee is equal to \$0.55 of each \$500, or fractional parts of \$500 of the realty's value. Section 12-24-95 permits twenty-five cents of the \$1.30 state deed recording fee must be credited to the South Carolina Conservation Bank Trust Fund. Section 48-59-75 states that in a fiscal year when the General Assembly in the annual general appropriations act provides less appropriations than what was provided for the previous year to at least one-half of the state agencies or departments contained therein the act or in any year when the Budget and Control Board orders across the board cuts to state agencies and departments in the manner provided by law, no further transfer of deed recording fees or other appropriated funds, state or local, may be credited to the trust fund for the fiscal year or balance of the fiscal year. Based upon the FY2008-09 Appropriation Act passed by the Senate, the act contains across the board reductions of an average 3.6% in state agency budgets affecting more than one-half of all state agencies or departments. Because of these cuts and language contained in Section 48-59-75, transfers of deed recording fee revenue to the Conservation Bank Trust Fund would be suspended in FY2008-09 and remain in the state General Fund.

/s/ WILLIAM C. GILLEPSIE, PH.D.

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Chief Economist

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.